

SAFE Program Membership

To become a member in the SAFE Program, a bank or savings institution must be organized and existing under Alabama or any other state law, be in the business of making loans and accepting deposits in Alabama, and have FDIC coverage. To apply for membership, the following documents must be completed by the applying institution and submitted as an application package to the SAFE.

1. Contingent Liability Agreement - establishes operational relationship between the SAFE Program and the banking institution. This agreement must be approved by the banking institution's board of directors.
2. Collateral Agreement - establishes custodial relationship between the custodian institution and SAFE. The banking institution initiates this document by signature, chooses the custodian, sends the agreement to the custodian for execution, and receives the returned agreement. The banking institution may have one or more custodians. Whenever a custodian is changed or selected, this agreement must be executed.
3. Authorized Representative Signature Certification - up to four officers/staff of the banking institution must sign the form and are designated as "authorized representatives" for purposes of the SAFE Program.
4. Certification of Adoption of Director's Resolution - to be completed by the banking institution's board of directors confirming adoption of the Contingent Liability Agreement.
5. Confirmation of Security Pledge with minimum \$100,000 market value – the banking institution must pledge (and maintain) through their custodian a minimum pledge of eligible securities confirmed by a security receipt issued to SAFE.

The above five documents should be submitted to SAFE in one package. The SAFE Program will review the documents upon receipt and, if correct, issue a Qualified Public Depository Certificate to the banking institution. Upon receipt of this document the banking institution is authorized to begin accepting public funds for deposit. Public depositors may request a copy of their Certificate for their file in order to confirm your membership to their auditors. List of QPDs can be found here [\[link\]](#).

The definition of public entity and public deposit are included in the SAFE law available on the Treasurer's website. A bank's operational staff should know and understand these definitions well. The depositor should notify the bank representative that the deposits are public, and then it is the responsibility of the banking institution to code the deposits as such. If the bank is uncertain about whether the deposits meet the definition provided in the SAFE law, their legal counsel should be consulted, as well as the depositor.